

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1605
98TH GENERAL ASSEMBLY

4958H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to an earned income tax credit.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.760, to read as follows:

**135.760. 1. This section shall be known and may be cited as the "Missouri Earned
2 Income Tax Credit Act".**

3 2. For purposes of this section, the following terms mean:

4 (1) "Department", the department of revenue;

**5 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of
6 household, widowed, or married filing combined that is subject to the tax imposed under
7 chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265;**

**8 (3) "Qualifying child", a dependent child for whom the taxpayer is entitled to a
9 dependency deduction for federal income tax purposes;**

**10 (4) "Tax credit", a credit against the tax otherwise due under chapter 143,
11 excluding withholding tax imposed under sections 143.191 to 143.265.**

**12 3. For all tax years beginning on or after January 1, 2017, an eligible taxpayer shall
13 be allowed a tax credit in the amount as provided in subsections 4 and 5 of this section.
14 The tax credit allowed by this section shall be claimed by such taxpayer at the time such
15 taxpayer files a return and shall be applied against the income tax liability imposed by
16 chapter 143 after reduction for all other credits allowed thereon. If the amount of the
17 credit exceeds the tax liability, the difference shall not be refunded to the taxpayer nor
18 shall it be carried forward to any subsequent tax year.**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 **4. For the first tax year this section is effective, an eligible taxpayer shall be allowed**
20 **a credit in an amount of:**

21 **(1) Fifty dollars if the taxpayer has a Missouri adjusted gross income of less than**
22 **fifteen thousand dollars with no qualifying child or children;**

23 **(2) Three hundred dollars if the taxpayer has a Missouri adjusted gross income of**
24 **less than forty-five thousand dollars with one qualifying child;**

25 **(3) Five hundred dollars if the taxpayer has a Missouri adjusted gross income of**
26 **more than fifteen thousand dollars but less than forty-five thousand dollars with two**
27 **qualifying children; or**

28 **(4) Six hundred dollars if the taxpayer has a Missouri adjusted gross income of**
29 **more than fifteen thousand dollars but less than fifty-five thousand dollars with three or**
30 **more qualifying children.**

31 **5. For the second tax year this section is effective and every year thereafter, an**
32 **eligible taxpayer shall be allowed a credit in an amount of:**

33 **(1) One hundred dollars if the taxpayer has a Missouri adjusted gross income of**
34 **less than fifteen thousand dollars with no qualifying child or children;**

35 **(2) Six hundred dollars if the taxpayer has a Missouri adjusted gross income of less**
36 **than forty-five thousand dollars with one qualifying child;**

37 **(3) One thousand dollars if the taxpayer has a Missouri adjusted gross income of**
38 **more than fifteen thousand dollars but less than forty-five thousand dollars with two**
39 **qualifying children; or**

40 **(4) One thousand, two hundred dollars if the taxpayer has a Missouri adjusted**
41 **gross income of more than fifteen thousand dollars but less than fifty-five thousand dollars**
42 **with three or more qualifying children.**

43 **6. The director of the department of revenue shall promulgate rules and regulations**
44 **to administer the provisions of this section. Any rule or portion of a rule, as that term is**
45 **defined in section 536.010, that is created under the authority delegated in this section shall**
46 **become effective only if it complies with and is subject to all of the provisions of chapter**
47 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and**
48 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**
49 **to delay the effective date, or to disapprove and annul a rule are subsequently held**
50 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
51 **after August 28, 2016, shall be invalid and void.**

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